

Exhibit 4

“Bjorn Rebney Explains ‘Key
Misunderstanding’ in UFC Contract
Match for Eddie Alvarez”



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Bjorn Rebney explains 'key misunderstanding' in UFC contract match for Eddie Alvarez

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Things aren't going smoothly in the heated contract dispute between Eddie Alvarez and his former employer Bellator Fighting Championships. Alvarez explained his side of the story on Monday during an appearance on The MMA Hour and we've got Bellator's point of view below with exact quotes from Bellator CEO Bjorn Rebney.

By [Brian Hemminger](#) | [@BrianHemminger](#) | Jan 9, 2013, 12:00pm EST

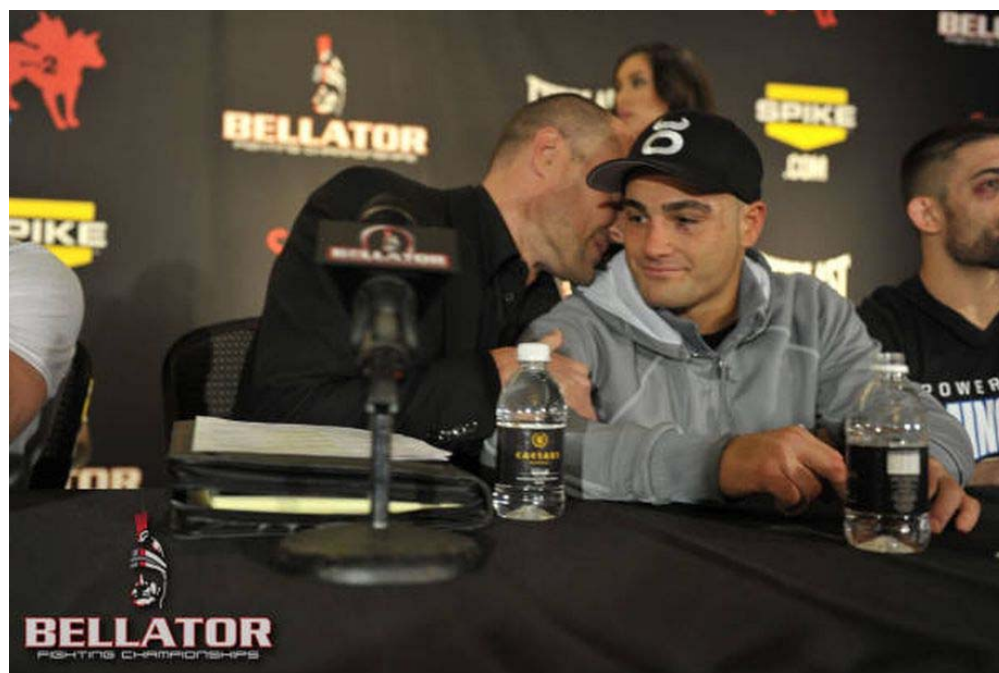


Photo via Bellator

Dana White called it, the **Eddie Alvarez** situation got "ugly."

The former Bellator **lightweight** champion's contract concluded after his first round knockout of **Patricky Freire** this past October, and when he entered the matching period of his negotiations, **Ultimate Fighting Championship** (UFC) fielded him an offer.

Bellator Fighting Championships had an opportunity to match, just like they did with former **middleweight** champion **Hector Lombard**, (which they chose not to do last April) but this time, they felt the terms were more agreeable.

According to Rebney, who spoke with myself and Matt Bishop during an appearance on **Bloody Elbow Radio** last night, Bellator **matched Alvarez's UFC contract** "word for word," just changing the name from UFC to Bellator before signing it and sending it over to him.

So how did everything get so complicated with **lawsuits getting flung back and forth at each other**?

Rebney explains the situation below:

"The reality of the situation is Eddie and I had a really good working relationship for four years. I would hazard to even say we had a good friendship going for a lot of years. The last couple weeks have not been the highlight, the high water mark of that relationship. We entered into a contract with Eddie. In that contract, just like in the UFC deal, there's what's called a matching provision and what that means is when the contract comes to an end, you've got the right as the promoter that had the contract with the fighter to match it. What that requires is that you match all the material terms of the deal.

If Eddie had been presented with a Hector Lombard type of deal, I told Eddie after his fight with us where he knocked out Patricky Pitbull, he and I sat and had a drink, spent some time together after the fight. I said, 'Look, dude. If you get a Hector deal, I'm just gonna wish you the best of luck, I'm gonna be your big fan and I'm gonna root for ya and I'll just let you go. I'm not gonna match that deal because I don't think we can monetize that deal.'

I didn't anticipate that the UFC would come in where they came in. They came in at a dollar figure in terms of the \$250,000 signing bonus and the \$70,000 plus \$70,000 and some of the terms that we felt very comfortable matching. To avoid any questioning, to avoid any conflict, we literally took the UFC contract, took it out of a PDF format and we changed the UFC name to Bellator and we signed it and we sent it back to Ed.

Our anticipation was that would be the end of it, we would move forward and we would start looking to schedule Eddie in some great fights and start rocking and rolling from there. As you know, there's been some disagreement on it and Ed's a very smart guy and a good guy. I remain extremely hopeful that we're gonna work it out, remain extremely hopeful that we're gonna be able to put the argument aside and make it work and promote the heck out of it on Spike Network, do huge events with him and conceptually even get a Michael Chandler-Eddie Alvarez rematch. We'll see where it goes."

Now in terms of the lawsuits, Rebney wanted to make sure to clear everything up. Yes, his side filed a lawsuit against Alvarez to enforce their side of the contract, but Alvarez had entered their final discussion on the telephone with six different attorneys representing him, and the tone of the negotiations was not a good one.

According to the Bellator CEO, Alvarez fired back a lawsuit within an hour of their final phone call as well.

"Eddie and I had been talking and most of the communication that we'd had had just been Ed talking with me because that's what had always worked for Ed and I over the last four years. Whenever Ed had a problem or an issue, he would call me on it and he would say, 'Hey, I need this, can you change this or alter this or move this up or do whatever?' and the same held true for me. If I had an issue with him, I would just call Ed and we'd work it out.

We scheduled a call last week and there were a series of attorneys, I think five or six for Ed and it was me and my partner on the phone and we talked through it and we recognized by the tone of what happened last week as did Ed's team. I'm sure that it was headed in a bad direction. They indicated to us that they weren't going to accept the match. It wasn't 30 minutes after the call ended, it was 42 and Ed's team filed a lawsuit against us in New Jersey and we filed a lawsuit against them. The lawsuits are not lawsuits because we dislike Ed. They just say, 'Hey, we're trying to enforce our contractual rights,' and they're lawsuit, which I have not yet read because I do not have a copy of it, I don't know what it says but I'm assuming it makes whatever their claim is relative to not wanting the match to abide but they filed on us literally, I think it was within an hour of the phone call ending."

Something that could be gleaned from our discussion with Rebney was the fact that he holds no ill will towards Alvarez. He understands that the former Bellator lightweight champion just wants to do what's best for himself considering he's entering the prime of his career, but it appears that is not the case in regards to Rebney's opinion of Alvarez's

current representation, Authentic Sports Management, who began managing him as his contract with Bellator was beginning to expire.

When asked about whether or not his real dispute was with Alvarez's choice of management, Rebney had this to say:

"I'm not one that typically gets on a soapbox and complains about people in a public forum. Eddie and I had four years together and we ran into problems but we were always able to work them out as men and sit down and talk through them and make them work. When I say make them work, I don't mean every time I talked Eddie into something or every time, Eddie talked me into something. There was give on mine and Ed's side and we made things work so that we both accepted them.

Ed had a terrific manager for a lot of years who was rarely involved in those conversation. It has become problematic of late, but sometimes when those big dollars come into play, sometimes when you're talking about a half million dollars instead of \$90,000, you're in a different spot and you take different positions.

I don't have any kind of disrespect or ill-will towards Ed. He's 29 years old, he's at the height of his career and he wants to take advantage of every conceivable opportunity, wants to maximize revenues, wants to maximize exposure. I don't begrudge him one bit for wanting the best of the best. I just believe that when we sign a contract and you make an agreement and somebody lives up to it, you're obligated to do the same and we'll see how that plays out."

Now perhaps the most important thing of all is, if Bellator matched the UFC contract word for word, point for point, why is there any contention whatsoever?

This is where the pay-per-view comes into play. In the UFC, a fighter can be given a share or pay-per-view revenue from a card they compete on and with Bellator holding all of their events on MTV 2 in the past two years and Spike from here on out, that's simply not matchable at this point in time.

Rebney, however, explains that while a fighter can earn pay-per-view points in the UFC, it's not a guaranteed part of his contract that he actually participate on a pay-per-view card.

"The way that it would work is this: When you look at these contracts, what we are

obligated to do, as per our matching rights just like what the UFC is obligated to do with their matching rights is you have to match any element of the contract that is guaranteed. So if the UFC says they're gonna give Eddie Alvarez a \$250,000 signing bonus and they say, 'This is when the signing bonus will be paid,' we have to do the same. If the UFC says, 'We're gonna pay you \$70,000 to show and \$70,000 to win, provided you are declared the winner of the bout by the applicable athletic commission blah, blah, blah,' we have to provide that exact same opportunity for Ed.

So that's the essence of what the matching is. There is no guarantee of pay-per-view in any way, shape or form in the agreement that was sent by the UFC. We're held to the level of having to match a guarantee. We're not held to a level of having to guarantee or having to match what was projected or what might happen. I think that's the key misunderstanding. It's not a matter of what could or might happen, it's a matter of what's guaranteed under the contract and that's clearly understood and clearly the way it's written."

This actually does make some sense, look no further than Hector Lombard. He got pay-per-view points, but was **originally expected to compete** in the main event of **UFC on FOX 3** against Brian Stann after signing with UFC, which was a free network show with no pay-per-view revenue.

His next fight was a free show with **UFC on FX 6** in Australia against **Rousimar Palhares** and he **just signed on to fight** against **Yushin Okami** at (you guessed it) another free event on television with **UFC on Fuel TV 8**.

The only saving grace for Lombard was the fact that his original opponent, **Brian Stann**, got injured and instead of fighting at UFC on FOX 3, he replaced the also injured **Michael Bisping** on the **UFC 149** pay-per-view, thus earning those points.

Now back to Alvarez, with both sides litigating against each other, something will have to give. It seems that Alvarez has already won in the court of public opinion as Rebney and Bellator have had to do some damage control in the past 48 hours, but it will all come down to what each side actually feels is a guaranteed part of a contract that deserves to be matched.

Where do you think Alvarez will end up when this is all said and done?

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